

TEACHERS' RETIREMENT BOARD
SUBCOMMITTEE ON CORPORATE GOVERNANCE

SUBJECT: Corporate Governance Issues

ITEM NUMBER: 4

ATTACHMENT(S): 0

ACTION: X

DATE OF MEETING: October 10, 2001

INFORMATION:

PRESENTER(S): Janice Hester Amey

SUMMARY

CalSTRS was represented by the CEO, CIO, Chief Counsel and the Director of Investment Administration and External Relations at the most recent semi-annual meeting of the Council of Institutional Investors (CII) in Los Angeles. Due to the terrorist attacks in New York and Washington, staff did not complete the meeting. Prior to our departure, CII had released the names on the list (Focus List) of under-performing companies. The list includes 25 companies- 10 from the S&P 500, 10 from the S&P MidCap 400 and five from the S&P SmallCap 600:

<u>S&P 500</u>	<u>CalSTRS shares</u>	<u>Market Value</u>
Aetna	362,048	\$10,825,235
Boston Scientific	1,091,215	\$20,842,207
Circuit City Stores - Circuit City Group	630,021	\$10,337,230
Computer Associates International	1,569,654	\$48,737,757
Conseco	1,153,247	\$10,588,873
Hilton Hotels	1,108,637	\$14,090,776
LSI Logic	987,703	\$20,000,986
National Service Industries	103,533	\$2,443,379
Novell	851,735	\$3,875,394
Thermo Electron	460,237	\$9,973,336
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SubTotal =	8,318,030	\$151,715,172

<u>S&P MidCap 400</u>	<u>CalSTRS shares</u>	<u>Market Value</u>
Acxiom	219,785	\$2,800,061
Adtran	36,930	\$854,930
Agco	149,168	\$1,752,724
Atlas Air Worldwide Holdings	34,863	\$482,504
Ceridian	298,226	\$5,800,496
Emmis Communications	58,978	\$1,414,292
Gartner	163,892	\$1,630,725
Modis Professional Services	303,726	\$1,886,138
PacifiCare Health Systems	60,902	\$883,352
Tyson Foods	241,293	\$2,545,641
SubTotal =	1,567,763	\$20,050,864

<u>S&P Small Cap 600</u>	<u>CalSTRS shares</u>	<u>Market Value</u>
Alliance Pharmaceutical	0	\$0
Curative Health Services	0	\$0
Hologic	0	\$0
Jo-Ann Stores	0	\$0
Speedfam-IPEC	0	\$0
SubTotal =	0	\$0
Total =	<u>9,885,793</u>	<u>\$171,766,036</u>

Staff has not completed its annual review of the portfolio to determine its list of under-performing companies, but expects to have the list ready for your perusal at the December meeting of the Subcommittee on Corporate Governance.